

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 4/2/2013	(3) CONTACT/PHONE Karen Baylor, Ph.D., MFT, Behavioral Health Administrator 781-4719 Amy Olson, ASO II, 781-4729	
(4) SUBJECT Request to approve a renewal contract (Clerk's File) with the State Department of Health Care Services for a five (5) year period from May 1, 2013 through April 30, 2018 in the amount not to exceed \$65,088,983 naming the County as the Mental Health Plan for purposes of providing specialty mental health services to Medi-Cal beneficiaries of San Luis Obispo County.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and direct the Chairperson to sign the renewal contract with the State Department of Health Care Services for a five year period from May 1, 2013 through April 30, 2018 in the amount not to exceed \$65,088,983 naming the County as the Mental Health Plan for purposes of providing specialty mental health services to Medi-Cal beneficiaries of San Luis Obispo County.			
(6) FUNDING SOURCE(S) State	(7) CURRENT YEAR FINANCIAL IMPACT \$2,169,655	(8) ANNUAL FINANCIAL IMPACT \$13,017,760	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP No	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>12-18/2012</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director
Karen Baylor, Ph.D., MFT, Behavioral Health Administrator\

DATE: 4/2/2013

SUBJECT: Request to approve a renewal contract (Clerk's File) with the State Department of Health Care Services for a five (5) year period from May 1, 2013 through April 30, 2018 in the amount not to exceed \$65,088,983 naming the County as the Mental Health Plan for purposes of providing specialty mental health services to Medi-Cal beneficiaries of San Luis Obispo County.

RECOMMENDATION

It is recommended that the Board approve and direct the Chairperson to sign the renewal contract with the State Department of Health Care Services for a five year period from May 1, 2013 through April 30, 2018 in the amount not to exceed \$65,088,983 naming the County as the Mental Health Plan for purposes of providing specialty mental health services to Medi-Cal beneficiaries of San Luis Obispo County.

DISCUSSION

Provisions of Part 2.5 (commencing with Section 5775) of Division 5 of the Welfare and Institutions (W&I) Code direct the State to implement and administer the Managed Mental Health Care for Medi-Cal eligible residents of California. A contract with the State Department of Health Care Services affirms the County as the Mental Health Plan for San Luis Obispo County Medi-Cal beneficiaries and outlines the protocols as the managed care plan for Medi-Cal beneficiaries when they need specialty mental health services. The contract also facilitates access to Federal Medicaid funds as a partial source for reimbursement of the cost of the provision of services.

On December 18, 2012, your Board approved a contract amendment with the State Department of Health Care Services (DHCS) to implement a time-only extension to the previously approved contract for a term through April 30, 2013. Previous to the current contract with DHCS, contract terms were for a period of one year. This renewal contract shall be for a 5-year term in an effort to streamline the contract process. This contract does allow for contract amendments in future years, if necessary.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has approved the contract as to form and legal effect.

FINANCIAL CONSIDERATIONS

The 5-year renewal contract is written in the amount not to exceed \$65,088,983. The FY 2013-14 Mental Health Status Quo Budget request includes \$11,550,208 million in Medi-Cal Federal Financial Participation (FFP) revenue. The State Department of General Services (DGS) requires an amount be included in the contract, which is a relatively new requirement in State agreements, in order to disperse the funds. Medicaid is a service driven revenue stream that does not have limits on claiming and receiving FFP revenue. In order for an amount to be derived for the contract and not bear the burden of having to prepare contract amendments if the contract amount is reached, the State has inflated the contract amount in order to facilitate the continued flow of FFP to the counties.

Following is a summary of the contract amount:

FY 2012-13	\$ 2,169,655
FY 2013-14	\$13,017,792
FY 2014-15	\$13,017,792
FY 2015-16	\$13,017,792
FY 2016-17	\$13,017,792
FY 2017-18	\$10,848,160
Total	\$65,088,983

The State has based the fiscal year period for this contract on a May through April cycle, therefore, the funds for FY 2012-13 are two-months' worth (May and June) of the entire contract. Likewise, for FY 2017-18, the contract will expire April 30 and funds will cover only 10 months of the fiscal year. All other fiscal years are for 12-month periods. Additionally, the \$13,017,792 State budget for 2013-14 is higher than the budgeted \$11,550,208 and is in adherence with the State's requirement to include an inflated amount in order to avoid contract amendments.

California accesses all available federal Medicaid funds by aligning with federal regulation to maximize federal reimbursement. The Department submits monthly claims requesting reimbursement for mental health services provided to Medi-Cal beneficiaries. The State passes through federal funds reimbursing the County for 50% of the amount claimed.

RESULTS

For FY 2013-14, the Department provided billable services to nearly 4,000 Medi-Cal beneficiaries in San Luis Obispo County. It is anticipated that the Department will continue to provide services to at least this number of beneficiaries. The number of beneficiaries served is comparable to other similarly sized counties in the State.

The DHCS contract facilitates the County serving as the Mental Health Plan for Medi-Cal beneficiaries, and will continue to allow the Department to work in collaboration with the community to provide services necessary to improve and maintain the health and safety of individuals and families affected by mental illness. The contract with DHCS will also provide Medi-Cal beneficiaries with services that are designed to assist in the recovery process to achieve the highest quality of life by providing culturally competent, strength based, and client and family centered strategies utilizing best practices. Providing the most appropriate services to the clients increases the probability of positive treatment outcomes. Furthermore, positive treatment outcomes contribute to the wider County vision of a healthy and safe community.

ATTACHMENTS

1. Clerk's Filed statement for DHCS 5/13-4/18 Contract